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# AGRICULTURE AND AGRI-FOOD IN CANADA



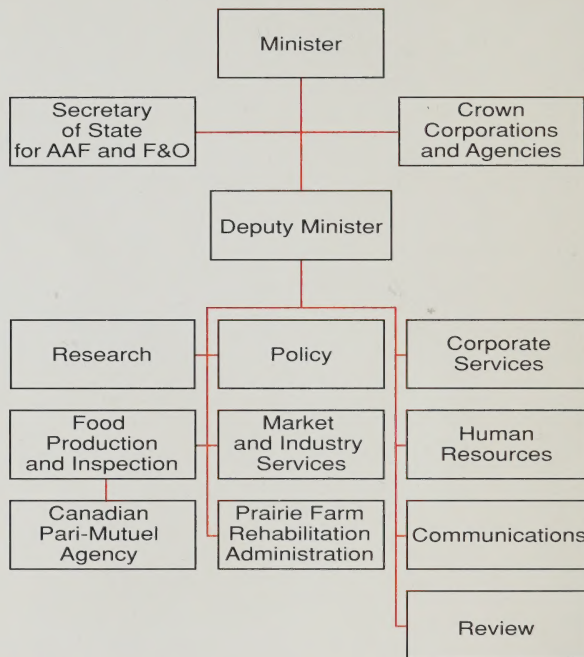
Agriculture and  
Agri-Food Canada

Agriculture et  
Agroalimentaire Canada





# The Agriculture and Agri-Food Portfolio



## Crown Corporations and Agencies Reporting to the Minister


The **Farm Credit Corporation** provides specialized financial services to Canadian farm operators, and to related businesses in rural communities.

The **Canadian Dairy Commission** co-ordinates national supply management for industrial milk production according to the provisions of the National Milk Marketing Plan.

The **Canadian Wheat Board** markets Prairie wheat and barley in Canada and internationally. The Board negotiates directly with customers, or through accredited exporters, on behalf of Western Canadian producers.

The **National Farm Products Council** advises the Minister on agencies operating, or being established, under the Farm Products Agencies Act. The Council monitors and works with the agencies to promote effective marketing of farm products between Canadian provinces and around the world.

The **Canadian Grain Commission** is a special operating agency dedicated to protecting the quality of Canadian grain. Its role is to regulate the grain handling system and set grain quality standards.

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# CANADA'S Agri-Food Sector

Canadians can take pride in a high quality of life and standard of living. And a large share of the credit for this fortunate position must go to Canada's agri-food industry, which provides the highest-quality foods at prices that are among the lowest in the world. In fact, Canadians spend less than 10% of their disposable income on food bought in stores, compared with the 8–24% spent in most other industrialized countries.



In Canada, this industry accounts for one in seven jobs. Domestic retail and food service sales total about \$82 billion annually, and the sector accounts for about 8% of our Gross Domestic Product. As one of Canada's top five industries, agriculture and food plays a major role in the health of our economy.



*Because of their quality and safety, Canadian agri-food products command the attention and respect of world markets. With more than \$15 billion in annual export sales, the sector generates about one-quarter of Canada's positive trade balance.*







# AGRICULTURE AND AGRI-FOOD CANADA

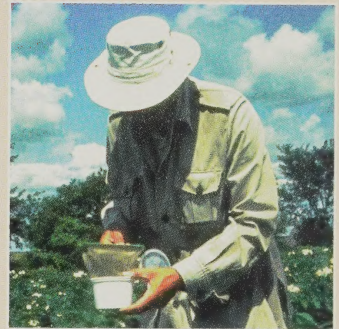
*The story of Agriculture and Agri-Food Canada is about people, about our staff working together with Canadians in support of the agri-food industry. If you were to survey our employees, you would find a great range of experts and specialists, including, for example, a researcher studying natural sugar substitutes obtained from plants, or an engineer analyzing satellite imagery to implement a Prairie irrigation project.*

You might visit a scientist conducting field research to develop hardier, more disease resistant crop varieties, or an inspector monitoring food standards in a huge processing facility. At a busy meat packing plant, you might see another inspector certifying food products leaving the country for export markets. And then there are our market analysts and trade negotiators, who help Canadian food exporters identify business opportunities and obtain international market access for their products. You can even find Agriculture and Agri-Food Canada staff working at the race track! Through the Canadian Pari-Mutuel Agency, we offer services such as photo-finish and equine drug-testing to protect the integrity of horse racing in Canada.

Across Canada, and in diplomatic missions around the world, you will find Agriculture and Agri-Food Canada staff working to serve Canadian farmers and food processors, wholesalers and distributors, retailers and consumers. We develop and implement policies, programs and services that promote the growth of the sector and the availability of safe, nutritious food at reasonable prices. At the same time, our work strengthens the agri-food sector's contribution to Canada's economic and environmental objectives.

We provide our clients with the best possible service, while also ensuring that Canadian taxpayers get top value for their money. The key to our success is teamwork. We provide services in co-operation with other federal and provincial government bodies, municipalities, businesses, co-operatives, farm organizations, and national and international organizations concerned with agriculture and food. We consult actively with all our clients and partners to best meet their needs and reflect our commitment to economic growth and environmental sustainability.





TESTING AN ENVIRONMENTALLY FRIENDLY, GIANT VACUUM SYSTEM THAT REMOVES HARMFUL PESTS FROM STRAWBERRY PLANTS.



# FARMING in Canada

*As the world's second largest country, Canada covers nearly 10 million square kilometres. But because of climate and geography, only about 7% of this enormous land mass is suitable for agriculture. Still, the area that is farmed, some 680,000 square kilometres, is almost equivalent to the combined surface of Japan and Germany.*

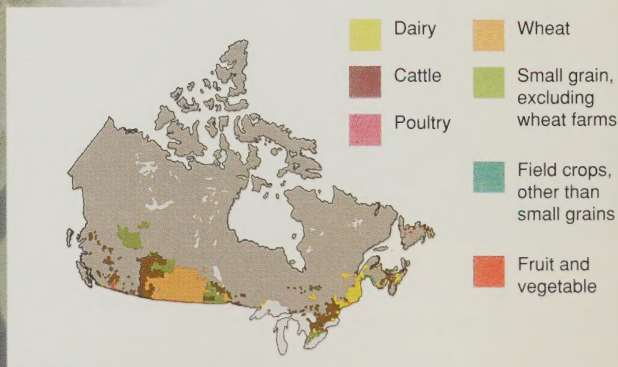
AGRICULTURE AND AGRI-FOOD CANADA'S NEW  
MINIATURE SUNFLOWER, CALLED "SUNOLA,"  
THRIVES IN A WIDE RANGE OF ENVIRONMENTS.

## Agricultural Production

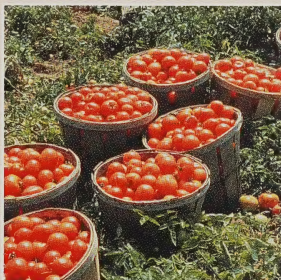
Canada's sheer size, and the diversity of its climate and soils, have fostered the development of many different types of farm operations. How and what we farm depends in large measure on where we live.

- In British Columbia, farm products include fruits, vegetables, livestock and dairy.
- In the Prairie provinces, with only about 110 frost-free days a year, farmers produce most of Canada's export grains and oilseeds, especially wheat, canola and barley; livestock; and most of the country's specialty field crops such as lentils, dry field peas and beans.
- In Central and Eastern Canada, agriculture is the most diversified. Farmers produce livestock and poultry; dairy; horticultural products; maple syrup; and grains and oilseeds, especially corn, soybeans and winter wheat.

## Predominant Farm Type





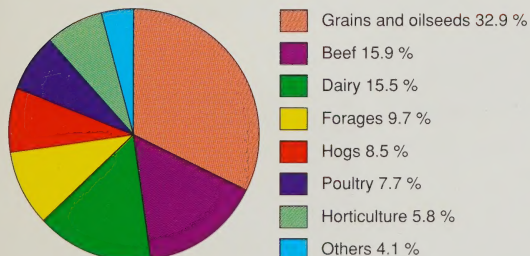


Ontario Corn Producers' Association



## Canada's Most Important Agricultural Products

Average Annual Value: \$22.9 Billion





# The **FOOD** Industry

*The average Canadian farm produces enough food for 120 people. But it takes 1.8 million Canadians—farmers, suppliers, processors, transporters, grocers and restaurant workers—to bring that food to tables in Canada and around the world. And their work is in part responsible for making the agriculture and food sector Canada's third largest employer.*

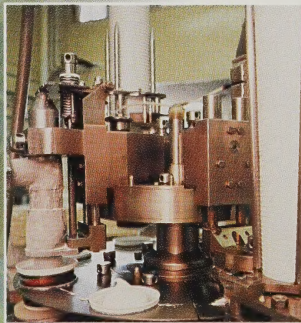
*Each of Canada's regions makes an important contribution to the nation's agri-food Gross Domestic Product. Western Canada's long tradition of primary farm production has earned the region international recognition as one of the world's "bread baskets"; while food processing industries, once concentrated primarily in Central Canada, are growing increasingly important in the West and Atlantic regions.*

Because of the economic benefits food processing activities generate, the larger proportion of processing industries presently located in Central Canada translates into a correspondingly larger share of the country's agri-food Gross Domestic Product.

This is because food processing multiplies the value of agricultural products and their impact on the economy. Each dollar invested in farm supplies like seeds, machinery and fertilizer, can result in farm products valued at about twice the investment. And after processing, those farm products again double their value when they are translated into food and beverage products.



Vancouver Port Authority



Canadian Dairy Commission

Expanding value-added, food processing activities creates jobs and economic opportunity in every region of the country. At the same time, it strengthens Canada's competitive position in world markets.





# FINANCIAL Security

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Working in co-operation with industry organizations, the department helps producers and processors maintain markets and capture new ones by developing programs that encourage diversification to new crops or value-added production activities. Our aim is to help farmers adapt to the challenge of a continuously evolving domestic and international trade environment.

Agriculture and Agri-Food Canada also invests significant resources in policies and programs aimed at protecting producers against major income shortfalls caused by elements beyond their control such as the weather or international subsidy wars.



Even with the security of farm incomes based increasingly on Canada's success in the marketplace, there is still an important role for farm safety net programs that help

stabilize incomes for farm families without distorting their production or marketing decisions. Canadian farmers are encouraged to set aside a portion of their earnings from good years in a national account for use in times of less favourable financial returns.

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These funds, matched by federal and provincial governments, help stabilize farm incomes through periods of unfavourable weather or market volatility.

The farm safety net package includes crop insurance plans to help reduce the economic impact of natural hazards. Cash advances based on the value of storable crops can help farmers waiting for viable market opportunities, while loan guarantees enable them to purchase farm equipment and machinery needed to adapt to changing technology and market opportunities.

Canada's approach to farm income stabilization is affordable and sound. Its programs and policies are intended to be:

- compatible with international trade agreements;
- neutral towards production and the marketplace;
- sensitive to the environment; and
- equitable.





## A VISION

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## FOR THE FUTURE At Home . . .

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**C**anada's high-tech agri-food sector is competitive, both at home and abroad. During the last 35 years, it has been growing in strength, almost doubling its contribution to the Gross Domestic Product, and is now well-positioned to respond to the challenges and to welcome the opportunities of today's evolving marketplace.

Rapid changes in the global economy, trade agreements, new technology, shifts in consumer food preferences and growing worldwide demand for value-added products, are dramatically reshaping Canada's agri-food sector. As international trade barriers fall, new market opportunities are emerging around the globe. While an increasingly competitive domestic market benefits consumers, it poses unprecedented challenges to Canadian producers and processors.

Meeting these diverse challenges, and securing the future Canadians want, requires a bold plan of action, hard work and co-operation between food producers and processors, governments and industry. For Agriculture and Agri-Food Canada, it also means investing wisely—in activities that create growth and enhance the agri-food sector's competitive position.

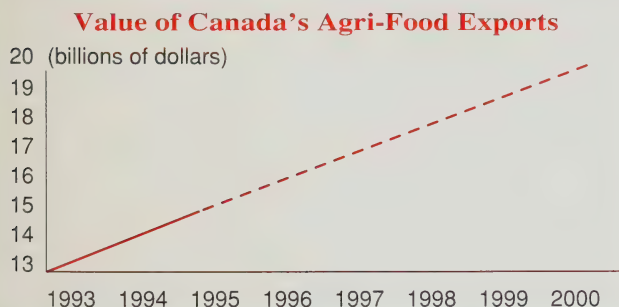
To help fulfill its partnership role, the government has outlined a vision of the future for the agri-food sector. Achieving its five goals, and building an industry that can be the world's best, is a challenge requiring all players in the sector to work together as a team. The vision incorporates specific objectives:

- sustainable growth in the agriculture and agri-food industry;
- diversified growth and jobs in rural Canada;
- long-term financial security based on market success;
- resource and environmental sustainability; and
- maintenance of a safe and high-quality food supply.



# ... AND Around the World

Canada is a leading world trader, and in the agri-food sector, our engine of growth has long been fueled by our exports. Through them, the industry plays a key role in the creation of jobs, economic growth and security. For this reason, Agriculture and Agri-Food Canada is strongly committed to supporting the agri-food industry in its shared goal of increasing the sector's exports by 50% between 1993 and the year 2000—from about \$13 billion to at least \$20 billion.



Since every billion dollar increase in agri-food exports creates about 7,500 jobs at home in Canada, staying on track to reach the goal of \$20 billion by 2000 could have a huge impact in terms of job creation and solid economic growth. It would also benefit farmers directly, providing them with increased income from the increased sales. Especially in rural Canada, such steady, sustainable growth goes a long way towards helping us achieve our vision for the sector's future.

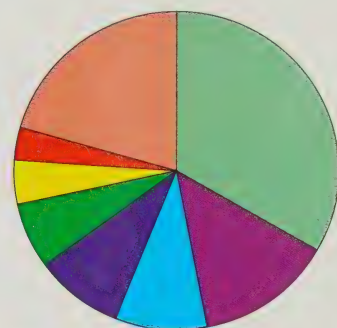
Canada is a member of several international organizations, through which we monitor global production and market developments. We also promote and negotiate international trade rules and harmonized standards.



MORE DIVERSIFIED PRODUCTION AND VALUE-ADDED PROCESSING OPERATIONS HELP FOOD PRODUCERS ADAPT TO NEW MARKET OPPORTUNITIES, WHILE SUPPORTING ECONOMIC DEVELOPMENT IN RURAL COMMUNITIES AS WELL AS URBAN AREAS.

## Canada's Top Agri-Food Exports

Total Value in 1994: \$15.3 Billion



- Grains and products 33.4 %
- Oilseeds 13.6 %
- Meat and by-products 9.2 %
- Live animals 8.8 %
- Beverages, spirits 6.6 %
- Vegetables, fresh/frozen 4.5 %
- Vegetable fats and oils 3.5 %
- Others 20.3 %



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# Trade and International **MARKETS**

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**S**ustainable growth of Canada's agri-food sector depends in large measure on our success in international markets, supported by Agriculture and Agri-Food Canada's efforts to strengthen trade and market development.



*If Canada is to meet the target of at least \$20 billion in annual exports by the year 2000, the country's agri-food producers and processors need to reach new and growing markets, especially for value-added products. The Market and Industry Services Branch of Agriculture and Agri-Food Canada has established several priority programs to help industry realize maximum benefits from international trade agreements.*

- The Agri-Food Trade Service (ATS), launched in 1995, and headed by Agriculture and Agri-Food Canada, and Foreign Affairs and International Trade Canada, provides a focal point at the hub of federal trade and market development activities.
- The Agri-Food Trade 2000 financial program aims to increase sales of Canadian agri-foods and beverages, through projects in key areas such as market awareness and information, technology adoption and product promotion.
- The Agri-Food Trade Network is an electronic, operator assisted network of resources and contacts, through which we provide international market information and intelligence, customized to help Canadian agri-businesses capture new market opportunities.
- The Agri-Food Fund enables us to support the work of Canadian agri-food specialists and trade commissioners in 50 international markets. They are now better able to take advantage of market opportunities and fund innovative projects on behalf of Canadian exporters.
- The Canadian Agri-Food Marketing Council will provide a high-level consultative mechanism so industry can effectively advise government on the challenges facing the Canadian agriculture and food industry in the global marketplace, and on the best ways of supporting export companies in their search for new markets.



# INNOVATION and NEW Technology

New technologies are dramatically changing primary food production and processing, and how we transport and distribute foods at home and abroad. Research and development, in particular, play a critical role in maintaining Canada's competitive advantage in the global marketplace.

Staff at Agriculture and Agri-Food Canada's Research Branch conduct world-class research, improving the long-term competitiveness of the Canadian food and agriculture sector through the development and transfer of innovative technologies. We develop improvements in all areas of the industry. Our focus is on quality, safety, and product competitiveness; on environmental practices that sustain agricultural production, and on developing and transferring technologies that add value to products for strategic advantage.

Departmental staff operate a network of research centres and experimental farms in each of Canada's major agricultural ecosystems. For greatest efficiency and effectiveness, these are consolidated under 19 national centres of excellence across the country. Each centre has a specialized research focus of national importance, reflecting the industry strengths of its home region.

CHILLED PORK



BLUEBERRY PACKAGING



NEW CHILLING AND PACKAGING TECHNOLOGIES HELP FIND MARKETS FOR CANADIAN FOODS.

*We work with industry and support sector initiatives with information, technical advice and sometimes financial assistance. The Agri-Food Research and Development Matching Investment Initiative, implemented in 1995, provides a means of focusing industry priorities and facilitating technology transfer. We can stretch the sector's research dollars by matching, one-for-one, industry contributions to collaborative research projects. Government funding could reach \$35.8 million by the year 2000. Fully matched, that would result in \$70 million invested in Canadian agri-food research by the turn of the century.*



# Inspection

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## Safe, high-quality food

Canada has one of the best food inspection systems in the world. Canadian exports facing growing price competition often maintain their share of the market thanks to our reputation for safe, high-quality food and disease-free plants, animals and their products.

A thriving, competitive agri-food industry depends on Agriculture and Agri-Food Canada to maintain standards of safety and quality that are among the world's highest, a responsibility we share with other federal departments, provincial governments, municipalities and the agri-food industry. To verify that agri-food products are safe and wholesome, staff at the Food Production and Inspection Branch register establishments meeting federal standards and monitor the safety and quality of meats, eggs, dairy and processed products, and fruits and vegetables. We also verify the quantity and composition of food products and check labels for honesty and accuracy. We monitor imports to ensure that food entering Canada meets the same stringent standards we set for our own producers.

IN CANADA, SEEDS, FEEDS AND FERTILIZERS ARE REGISTERED FOR SAFETY, EFFECTIVENESS AND SAFE USE. OUR CROP VARIETY REGISTRATION, FOR EXAMPLE, ENCOURAGES THE DEVELOPMENT OF DISEASE RESISTANT VARIETIES OF SEED.

# AND Quarantine

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Canadian governments and industry are working in concert to implement an internationally harmonized food safety approach known as HACCP, that focuses on preventing potential problems before and during food manufacture, rather than simply relying on inspection of the finished products.

## ... And healthy plants and animals

Our staff also work to prevent the introduction of diseases and pests into Canada and to control or eradicate them if they do occur. For example, we inspect farmers' fields and quarantine imported animals to verify that they are free from harmful diseases and pests.

We certify plants, animals and their products that Canadians export worldwide. In a given year, Canada's exports of live animals, semen and embryos can amount to as much as \$1.5 billion. Exports of plants and plant products can reach \$5.3 billion.





# ENVIRONMENTALLY Sustainable Agriculture

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Canadians use state-of-the art technology to monitor and assess the impact of economic activities on the natural resources which supply our plentiful food. As we look to the future, our vision for the agri-food sector must include environmentally sustainable resource management.

At the Prairie Farm Rehabilitation Administration, our staff has a long-standing commitment to sustainable agriculture. We work with people on the Prairies to further an industry that is both economically viable and environmentally sound. In partnership with other levels of government, farm groups, producers and industry, we protect Prairie soils, develop and conserve the area's water resources, and encourage diversification to new crops, value-added processing and other wealth-creating activities.



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*Maintaining a sensitive and sensible balance between social, economic and environmental concerns is a top priority for Agriculture and Agri-Food Canada. Our staff implement improvements throughout the food chain to protect our resource base and ecosystems, and to develop, adopt and market new technologies for conserving the environment.*

SHELTER BELT TREE PLANTINGS HELP  
PROTECT PRAIRIE SOILS FROM WIND EROSION.



## HOW TO CONTACT US

In Canada, please check the blue pages of your telephone directory for Agriculture and Agri-Food Canada's local number. Outside the country, contact the nearest Canadian diplomatic post. We will put you in touch with the right person to assist you.

You can also reach us electronically, by facsimile, or through the mail. For more information about agriculture and food production in Canada, or a list of publications available from the Department, contact:

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Ottawa, Ontario, Canada  
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Tel: (613) 759-6633/759-6634

Fax: (613) 759-6726

E-Mail: [pirs@em.agr.ca](mailto:pirs@em.agr.ca)

Agriculture and Agri-Food Canada maintains an electronic information service (ACEIS) that gives you instant access to departmental on-line services and information including federal agri-food programs, trade, commodity prices, regulations, agri-science and technology.

Contact us on the Internet at:

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or by modem at:

1-800-234-4410

Voice and fax-back services  
are available by calling: 1-800-346-2222

